

INTER-OFFICE COMMUNICATION FROM
THE OFFICE OF
CLERK OF THE BOARD OF COUNTY COMMISSIONERS

June 23, 1987

TO: Jan Winters, County Administrator
Lisa Heasley, County Attorney's Office
Gary Brandenburg, County Attorney
David Bludworth, State Attorney
Joy Shearer, Asst. Attorney General
Jerry Nolan, Sheriff's Office-Admin.
John Lehner, PZ&B
Bob Palchanis, Building Division
Patty Young, 4th Dist. Ct. of Appeals
Law Library
County Library (2)
Pinky Yount, PBC Municipal League, Inc.
1708 N. Lakeside Drive, Lake Worth, FL 33460
Judge Harrison, South County Courthouse
Judge Clark, South County Courthouse
Office of Financial Management & Budget
Internal Auditor - Roger Barnes, Finance
Mini Grace Committee - Denise Smyth, Finance
Lynn Atchinson, Finance - Richard Iavarone, Finance
Tom McLaughlin, Finance - Pat Neville, Finance
- Lynn Heck, Finance

FROM: John W. Dame
Chief Deputy Clerk

RE: PALM BEACH COUNTY ORDINANCE DISTRIBUTION

ORDINANCE NO. 87-11

TITLE REFERENCE:

THE PALM BEACH COUNTY INVESTMENT ORDINANCE

Attached is a copy of the above referenced Ordinance of Palm Beach County. This Ordinance has been filed with Florida Department of State and forwarded to Municipal Code Corporation for codification. The effective date is June 18, 1987.

JWD:lc
attachment

cc: Commissioners, BCC
Clerk of BCC
Minutes

ORDINANCE NO. 87-11

PALM BEACH COUNTY INVESTMENT ORDINANCE

AN ORDINANCE ENTITLED THE "PALM BEACH COUNTY INVESTMENT ORDINANCE"; SUPPLEMENTING CHAPTER 125.31, FLORIDA STATUTES AND PROVIDING FOR THE INVESTMENT OF SURPLUS COUNTY FUNDS; PROVIDING FOR EXPANSION OF INVESTMENT ALTERNATIVES; PROVIDING GUIDELINES FOR COUNTY INVESTMENT POLICY; PROVIDING FOR PRUDENT INVESTING; PROVIDING FOR PHYSICAL POSSESSION OF SECURITIES; PROVIDING AUTHORITY TO PURCHASE AND SELL SECURITIES AND PAY PROCEEDS INTO PROPER ACCOUNTS; PROVIDING FOR FINANCIAL DISCLOSURE; PROVIDING FOR MANNER OF INTERPRETATION; PROVIDING FOR PENALTY; PROVIDING FOR EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES.

WHEREAS, the Board of County Commissioners of Palm Beach County, FL., is the legislative and governing body of the County, pursuant to Constitution of the State of Florida; and

WHEREAS, it is the desire and intent of the Board of County Commissioners to maximize interest earnings and minimize investment risk; and

WHEREAS, the Board of County Commissioners feels that some expansion beyond the investment alternatives described in Chapter 125.31, Florida Statutes, would allow the Clerk, as custodian of County funds, to more effectively seek maximum yields at minimum risk; and

WHEREAS, the Board believes that an "Investment Ordinance", establishing the framework for formalized investment policy, will build flexibility into the investment program and provide an increased revenue source.

NOW THEREFORE, BE IT ORDAINED, by the Board of County Commissioners of Palm Beach County, FL., that:

SECTION 1: This ordinance shall be known and may be cited as the "Palm Beach County Investment Ordinance".

SECTION 2: When in the judgment of the Clerk of the Board of County Commissioners, as custodian of County funds, surplus monies have accumulated in County accounts or funds or when the County has on hand or has accumulated surplus monies by reason of the sale of its own securities, the Clerk shall make investments on behalf of and in the name of the Board of County Commissioners of Palm Beach County. Investment decisions will consider cash needs and cash flow projections which shall be developed and provided by County Administrative staff.

For the purposes of this ordinance, the term "surplus funds" is as defined in Chapter 125.31(4), Florida Statutes.

SECTION 3: Surplus County funds may be invested in the following:

- a.) The Local Government Surplus Funds Trust Fund;
- b.) Negotiable direct obligations of, or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government at the then prevailing market price for such securities;
- c.) Non-negotiable interest bearing time certificates of deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law in federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law; or
- d.) Bankers acceptances which are eligible for purchase by the Federal Reserve System; or
- e.) Prime commercial paper. For the purpose of this section, "prime" commercial paper shall be defined as that commercial paper which has received a Standard and Poors rating of A-1 and/or Moodys rating of Prime-1; or
- f.) Interest-bearing obligations with a fixed maturity of any corporation within the United States, if such obligations are rated by at least two nationally recognized rating services in any one of the two (2) highest classifications approved by the Comptroller of the Currency for the investment of the funds of national banks.

- g.) Obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, or Federal Home Loan Bank or its district banks, including Federal Home Loan Mortgage Corporation participation certificates, or obligations guaranteed by the Government National Mortgage Association.
- h.) Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage passthrough certificates guaranteed by the Federal National Mortgage Association.
- i.) Investments in any securities authorized by this section may be under repurchase agreements or reverse repurchase agreements.

SECTION 4: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. -

SECTION 5: Investments of County funds shall be made in accordance with written policies developed by the Investment Committee, hereinafter created in Section 9. of this Ordinance, and the Clerk, and presented to the Board for their review and approval by resolution. Such investment policies shall address liquidity, diversification, safety of principal, yield, maturity, and quality, with primary emphasis on safety and liquidity; the selection of qualified dealers and institutions for execution of investment transactions, and the capability of investment management.

SECTION 6: The Clerk of the Board of County Commissioners, as custodian of County funds, is authorized to accept, on behalf of and in the name of the Board of County Commissioners, Palm

Beach County, Fl., bank trust receipts from a third-party bank, as evidence of investment of temporarily idle funds in lieu of physical delivery of the obligations or securities, to a safe deposit box as required in Chapter 125.31(2)(a), F.S.. All such trust receipts shall describe the various obligations or securities held, together with the specific number of each obligation or security held. The actual obligations or securities on which trust receipts are issued may be held by any third-party bank depository chartered by the United States Government or the State of Florida, meeting qualifying criteria as set forth in the County's investment policy.

SECTION 7: The Clerk, is authorized to sell such obligations or securities purchased pursuant to this ordinance, at the then prevailing market price, and to pay the proceeds of such sale into the proper accounts or funds of the County and shall not be liable for any loss of interest resulting from such transactions.

SECTION 8: Nothing herein contained shall be interpreted or construed to abrogate any specific provision contained in any bond resolution or other contractual agreement of the County, or other requirements of general law of the State of Florida, relating to the investment of bond proceeds or other such monies temporarily available in specific funds or accounts.

SECTION 9: The Palm Beach County Investment Policy Committee is created as follows:

- a. The Committee shall be comprised of six (6) members who shall be appointed by and serve at the pleasure of the majority of the Board of County Commissioners, except as noted in Section 9b(i).

b. Members of the Committee shall be appointed with the following backgrounds and serve an initial term as set forth, thereafter all terms shall be two (2) years.

i. A member of the Office of Financial Management and Budget selected by the Administrator (1 year).

ii. A member of the investment banking community or securities community with five (5) years direct investment experience and present investment management responsibility (1 year).

iii. A current member of the Board of County Commissioners, who shall serve as chairperson and decide all tie votes (2 years).

iv. A member of the public with substantial investment experience (2 years).

v. A local banker with a minimum of five (5) years direct investment experience and present investment management responsibility (1 year).

vi. A local banker with a minimum of five (5) years direct investment experience and present investment management responsibility (2 years).

c. The Committee and the Clerk shall develop written policies in accordance with Section 5, which shall serve as guidelines for use in the investment of surplus County funds and shall evaluate the effectiveness of the policies and investment practices of the County. The Committee shall meet quarterly or at the call of the chairperson.

SECTION 10: FINANCIAL DISCLOSURE - Each member of the Palm Beach County Investment Policy Committee shall file a disclosure of financial interest form for a "local officer" in the manner set forth in Florida Statutes 112.3145.

SECTION 11: INTERPRETATION - This Ordinance shall not be interpreted in such a manner as to restrict the capability of the County to invest its surplus funds in accordance with general law and is intended to extend the ability of the County to invest in other items deemed prudent by the County.

SECTION 12: PENALTY - A violation of this Ordinance shall be punishable as provided by law.

SECTION 13: EFFECTIVE DATE - This Ordinance shall be effective upon receipt of acknowledgement from the Department of State of the State of Florida.

SECTION 14: SEVERABILITY - If any section, paragraph, sentence, clause, phrase or word of this Ordinance is found unconstitutional, inoperative or void, such holding shall not effect the remainder of this Ordinance.

SECTION 14: INCLUSION IN THE CODE OF LAWS & ORDINANCES -

The provisions of this Ordinance shall become and be made a part of the Code of Laws and Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be renumbered, or relettered to accomplish such and the word "ordinance" may be changed to section, article or such other appropriate word.

APPROVED AND ADOPTED by the Board of County Commissioners of Palm Beach County, Florida, on the 9th day of June, 1987.

APPROVED AS TO FORM &
LEGAL SUFFICIENCY

BY [Signature]
Co. Attorney

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

BY [Signature]
Chair, BCC

Acknowledgement by the Department of State of the State of Florida, on this the 15th day of June 1987.

EFFECTIVE DATE: Acknowledgement from the Department of State, received on the 18th day of June 1987, at 12:14 p.m., and filed in the Office of the Clerk of the Board of County Commissioners of Palm Beach County, Florida.

STATE OF FLORIDA, COUNTY OF PALM BEACH
I, JOHN B. DUNKLE, ex-officio Clerk of the
Board of County Commissioners certify this to
be a true and correct copy of the original filed in
my office on June 9, 1987
DATED at West Palm Beach, FL on 6/23/87
JOHN B. DUNKLE, Clerk,
By: [Signature] D.C.
Deputy Clerk